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(310)659-0205 FAX(310)657-4340

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Dick Rosengarten, Publisher

E-Mail calpeek@aol.com

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CAMPAIGN 2000: COURT RULING ON CAMPAIGN REFORM PUTS THE SPOTLIGHT ON CALIF.'S PROP. 25.

Editor's note: The U.S. Supreme Court on Jan. 24th ruled upheld a campaign contribution limitation law in Missouri which undoubtedly will have an impact here in Calif. Here's our update & analysis...

...The ruling in Nixon vs. Shrink case was 6-3 and the ruling upheld a Missouri law which limited campaign contributions to \$1,000 for statewide candidates. It was a ruling that was not anticipated, because federal judges have been ruling that limitations on contributions violates the free speech provisions of the U.S. Constitution. Until the Nixon case, the key Supreme Court ruling on campaign financing had been Buckley vs. Valeo in 1976, which struck down a federal spending limit law, but also upheld the \$1,000 contribution limit to federal candidates...

...And while pro-campaign reform activists such as Prop. 25 co-author Tony Miller was cheering the new ruling, Justice David Souter has left some wiggle room on the question of *what is reasonable in terms of a contribution*. But the ruling definitely sheds new light on Prop. 208, the very drastic campaign reform initiative approved by voters in 1996, but is on hold pending a federal court case. Miller was the co-author of 208, along with Ruth Holten...

...For those with short memories, Prop. 208 would have restricted contributions for legislative races to no more than \$250 and only \$500 for candidates seeking Statewide office. Very low and unreasonable, considering the high cost of campaigning in Calif...

...By contrast, Prop. 25 (by Miller) and Ron Unz, sets the contribution limit at \$3,000 for legislative races and \$5,000 for statewide contests – much more reasonable than 208. And why is Miller being more liberal in the

contribution limit for Prop. 25 than he was with Prop. 208? Miller told **Calpeek** that Prop. 25 was written with Federal Judge Lawrence Karlton in mind. Karlton was the judge who overturned 208 in 1998 – and Miller/Unz didn't want the same thing to happen with 25. But here's something to note: written into Prop. 25 is a clause which says if Prop. 208 is reinstated, then the more liberal contribution limits of Prop. 25 are dumped in favor of the more restrictive limits of Prop. 208. Interesting...

...FYI: The new Field Poll shows YES on Prop. 25 behind: **38%** in favor vs. **40%** opposed, with **22%** undecided. More next week. Stay tuned...

CAMPAIGN 2000: BATTLE FOR THE OPEN 15TH CD.

Editor's note: When former Congressman Norm Mineta(D-San Jose) suddenly retired in late 1995, Demos feared they'd lose this seat to then State Sen. Tom Campbell(R), who prior to 1992 was in the U.S. House. And they did. Campbell creamed San Jose Councilman Jerry Estruth(D) by a 59% to 36% margin. Now the shoe is on the other foot. Campbell is running for the U.S. Senate and GOP is worried about holding the 15th CD in the heart of the Silicon Valley. And with control of the next Congress on the line, this is a very critical race. Here's our update & analysis...

...The GOP will rely upon Assemblyman Jim Cunneen of Campbell, a 38-year-old protégé of the current congressman, who doesn't have a serious primary rival. This CD has **44.27%** Demo registration vs. **35.26%** GOP, with **15%** decline to state. It's a swing CD and could go either way...

...On the Demo side there are 5 candidates, but only two are in the top tier: business executive Bill Peacock, who has been running for more than a year and was in the race prior to Campbell's decision to run for

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the U.S. Senate; and Assemblyman Mike Honda, who was reluctant to run until he got a *personal call* from Pres. Bill Clinton. In the 2nd tier is former Sunnyvale Councilwoman Robin Parker. There are two other Demos, but they are not considered serious...

...Peacock has *deep pockets* and has already pumped in some \$350,000 to his warchest. His campaign team ran Estruth's special against Campbell in '95: Trippi, McMahon & Squier on tv and Fairbank Maslin Maullin on polling. New to the team is mail consultant John Shallman. And this isn't the first time Peacock has run: in '92, when he was living in Missouri, he ran for the U.S. Senate. Long before Honda jumped in, Peacock won labor's support, only to see them pull back and endorse Honda. But Peacock still has the support of the Teamsters. The loss of COPE was serious and there is some bitterness. San Jose Mayor Ron Gonzales, Jerry Estruth, former Labor Secretary Hazel O'Leary and former State Sen. Al Alquist are listed as supporters. So is former Congressman Pete McCloskey Jr. (R) – not the most popular guy in some quarters...

...So how did Pres. Clinton get involved? Sources say the DCCC did a poll to determine who would be the best match against Cunneen: it was Honda. Clinton did the arm twisting at Demo House Leader Dick Gephardt's request. Honda's campaign consultant is Richie Ross, while Andrew Acosta will handle daily chores. It's the same team which ran U.S. Rep. Joe Baca's 42nd CD special. Honda is still getting organized and while commitments have been made for money, we'll have to see what Honda reports on 1/31. Clinton has promised to do an event for him. Also backing Honda are U.S. Reps. Nancy Pelosi, Anna Eshoo & Zoe Lofgren...

...Right now sources rate the 15th CD Demo primary a close race, with perhaps a very slight edge to Honda, based on name ID and support. But make no mistake, Peacock has money and this makes him a formidable candidate. Stay tuned...

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CAMPAIGN 2000: UPDATE ON 2 HOT INITIATIVES.

Editor's note: The late Harry Lerner, one of the early and most savvy campaign management pros, was a true gentleman – except when he was running campaigns, especially initiatives. Lerner's motto: "If I haven't been sued at least once, I haven't done my job right." No lawsuits, yet, but we're getting close. Here's an update on Props. 26 and 30/31...

◆ **Prop. 26** – This is the initiative which does away with the 2/3rds vote on passage of local school bonds. The attorneys for the CA State PTA, big supporters of YES on 26 (*Let's Fix Our Schools*), have written a letter to the Howard Jarvis Taxpayers Assn., demanding that the NO on 26 side pull a radio ad which uses "PTA" in the copy. The letter was written Jan. 20th and threatened an injunction and damages...

...Jon Coupal, president of the HJTA, wrote back Jan. 21st and said that the NO on 26 spot used "PTA" in a generic reference and thus it was not a trademark violation – and told the PTA attorneys that the acronym "PTA" in a radio spot in no way suggested endorsement. To top it off, Coupal said if legal action is taken against the NO on 26 committee (*Save Our Homes*) and HJTA, "we will be forced to file a counter-lawsuit on behalf of those PTA members who opposed Prop. 26." Oh what fun...

◆ **Prop. 30 & 31** – These are the referendums placed on the ballot by the insurance industry to overturn SB 1237 and AB 1309. It's *WWIII* between the insurance industry (on the NO side) vs. consumer attorneys (YES side) in another costly fight over the *Royal Globe* case. The NO side has tons of \$\$ and has been in the mail and on tv since late last year. The YES side only recently hit the tv airwaves with an ad that looks very familiar. And in fact the footage is the *same* as the ad on Prop. 200 in 1996 – two cars smashing together, with one driver talking on a cell phone and obviously at fault. The NO on 30/31 campaign is using the "*Harry & Louise*" approach...

...Here's what's interesting about the NO side. The key supporters of NO on 30 and 31 are State Farm, Allstate, Farmers, Fireman's Fund, Commercial General, Liberty Mutual and USAA – all are HQed out of

State or overseas. So where are such firms as 21st Century and the Auto Club of So. Calif.? Both of these firms and other smaller ones too, are sitting on the sidelines. Reason: although opposed to SB 1237, some felt that AB 1309 softened the impact of 1237 and were willing to see what would happen. And there was some disagreement as to whether a referendum was the proper way to go. Some questioned whether the 60-80 day time frame was adequate. Stay tuned...

CAMPAIGN 2000: UPDATE ON U.S. SENATE PRIMARY.

Editor's note: Here's a brief update about CA's U.S. Senate primary, with some new survey numbers from pollster Mervin Field...

...The newest Field Poll (Jan. 7-10, 770 likely voters) shows essentially the same thing as survey by the Public Policy Inst. of Calif.: U.S. Sen. Dianne Feinstein(D) continues to hold a substantial lead over all of her GOP rivals in Calif.'s open primary. Here are the results shown side-by-side with the PPIC poll (Jan. 2-10, 1,000 likely voters)...

	<u>FIELD</u>	<u>PPIC</u>
Dianne Feinstein(D)	55%	53%
Tom Campbell(R)	14%	12%
Bill Horn(R)	4%	3%
Ray Haynes(R)	3%	4%
J.P. Gough(R)	2%	1%
Undecided	22%	27%

...In a 1-on-1 match with U.S. Rep. Tom Campbell of San Jose, DiFi gets **55%** vs. **37%** for Campbell, with **8%** undecided. And the Field Poll shows something else which is interesting. Among likely GOP primary voters, DiFi is pulling **22%** (Campbell is getting just **3%** of the Demo vote). Since money is so key to this primary, it will be of interest when the new reports are disclosed. It will be an indication of whether Horn, Haynes or Gough has a chance against Campbell, who most **Calpeek** sources pick as the GOP frontrunner...

...FYI: GOP political commentator and 1992 GOP nominee for U.S. Senate, Bruce Herschensohn, has endorsed Haynes. And remember, it was Herschensohn who in the '92 GOP primary beat Tom Campbell...

...PS: on issues, Campbell's GOP rivals have hit him on a number of *domestic* issues (to allow local govt. to distribute drugs to addicts; taxing internet sales; and his

opposition to Prop. 22), but none have hit Campbell on any *foreign policy* issues. DC sources tell **Calpeek** that when it comes to Mid Eastern politics, Campbell is "as *anti Israel* as they come." In fact, Campbell regularly votes to cut foreign aid to Israel. Wonder how come Haynes, Horn & Gough haven't mentioned this yet?? Stay tuned...

CAMPAIGN 2000: UPDATE ON LEGISLATIVE RACES.

Editor's note: As promised, this week **Calpeek** will expand it's CA Legislative coverage to include both State Senate as well Assembly primaries...

☒ **1st SD Update** – In this battle to replace Sen. Tim Leslie, who is *termed out*, conservative Assemblyman Ricco Oller and lobbyist Skip Daum would like the news media to think of this battle as a 2-person race. But sandwiched to the center of these two conservatives is Nevada Co. Sup. Karen Knecht, a pro-choice moderate GOPer. Dan Ostrander and Jim Johnson, both drop outs from this primary, have endorsed her...

...In the nasty battle between Daum and Oller, Daum has some new tv spots: one is about Oller's *bear hunting* methods using dogs, while the other one is a classic *flip flop* hit against Oller. Oller is on tv too, mostly with feel good ads. Daum has some polling data on a 2-person battle: Oller 33% vs. Daum with 29% (after push questions). Before *push questions* Oller has a 15-pt. lead. The poll was conducted by Fairbank Maslin Maullin and was taken between Jan. 9-11...

☒ **74th AD Update** – The spin from conservative Mason Weaver's camp is that this GOP primary has boiled down to a race between Weaver (a Black radio talk show host in San Diego) and Vista Councilman Ed Estes Jr., a mainstream GOPer. One of the other conservatives in the primary, Escondido Councilman Keith Beier, now faces a *recall* – and Escondido school board member Mark Wyland is still in the dog house because he gave \$\$\$ to Demo Bill Bradley. FYI: GOP Assembly Leader Scott Baugh has endorsed Weaver...

☒ **34th AD Update** – In this GOP district, the Republican primary between former Legislator Phil Wyman and former Victorville City Mgr. Jim Cox is probably much closer than originally thought. A new poll for Cox (Jan. 6-7, 500 voters by R.T. Nelson of Utah) shows Wyman's name ID at 37% (he is much better known than Cox in the Kern Co. portion of the 34th AD, but Kern only accounts for about 1/3 of the vote)). Cox's name ID is at 30.4%. *Without push questions*, Wyman gets 30.8% vs. 23.4% for Cox. *After push questions*, Cox is at 37.8% vs. 10.4% for Wyman. In terms of support, Wyman is backed by the NRA, Gun Owners of CA, the CRA, 3 Congressmen, 15 State Legislators. He also has backing from all 4 statewide taxpayer groups...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

Feb. 1	New Hampshire Primary
Feb. 4-6	CA Republican Party convention at the Burlingame Hyatt Hotel
Feb. 7	Last day to register for CA's Mar. 7 primary
Feb. 11-13	CA Demo Party convention in San Jose
Feb. 24	Campaign reports due (1/23 to 2/19)
Feb. 29	Last day to apply for absentee ballots.

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **CRP Convention Follows New Hampshire** - The CA Republican Party(CRP) will hold its Winter convention Feb. 4-6 in Burlingame, just 3 days after the all important New Hampshire presidential primary. And according to CRP sources, Florida Gov. Jeb Bush will be pinch hitting for GWB, but Steve Forbes, John McCain and Alan Keyes will all be there. But Gary Bauer is passing, which raises this question: did the conservative CA Republican Assembly(CRA) screw up big time when they endorsed Bauer over Forbes late last year? Our sources say the answer is *yes indeed*...

■ **Internet Filing Nightmare** - It sounded great, but guess what folks, it's turning out to be an costly nightmare for candidates who raise \$100,000 or more and must *file online*, as well as the old fashioned way. **Calpeek** has had numerous complaints from consultants & candidates about the costly software and services for internet filing. At first SOS Bill Jones(R) authorized only 3 vendors to handle the internet filings, but 6 more vendors were recently added. Jones says he wanted the software to be free, but that was rejected by the Legislature. Bottomline: CA needs more than just 9 vendors for internet filings...

■ **Presidential Polling** - The new Field Poll shows Texas Gov. George W. Bush way out in front of his GOP rivals here in Calif. Bush 53% vs. 13% for U.S. Sen. John McCain; 4% for both Forbes & Keyes; 2% for Bauer and Hatch, with 22% for others/undecided. On the Demo side, VP Al Gore continues to lead former U.S. Sen. Bill Bradley by a 47% to 19% margin. A year ago Bradley was only at 9%, but the feeling among CA Demo sources is that unless Bradley wins New Hampshire, which is sorta iffy right now, he can kiss the nomination goodbye. FYI: some sources say

Bradley's *health* (irregular heart beat) is one reason why there has been drop in his polling numbers...

■ **El Toro Polling Data** - Hottest measure on the ballot in Orange Co. is the proposal to require a public vote on a new airport at El Toro, the former Marine Corps air station. A new poll by Decision Research, Jan. 5-10, 500 likely voters, shows that development of a new commercial airport at this site is opposed by a margin of 51% vs. 39% in support. The ballot measure requiring a public vote, Measure E, is winning too: 56% to 36%...

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● A sad note: veteran political/media consultant Bob Squier, 65, died Jan. 24 after a battle with colon cancer. Squier's clients included Hubert Humphrey, Jimmy Carter and Clinton/Gore. R.I.P...

● Catherine F. Maguire, p/a mgr. for So. Calif. Gas Co., has been elected chair of the Valley Industry and Commerce Assn.(VICA)...

● LG Curz Bustamante has been named by Pres. Bill Clinton to the U.S. Census monitoring board...

● Bob Morales has been named a Sr. VP at Stoorza, Ziegaus & Metzger. He was with Ketchum PR in L.A. prior to joining SZ&M...

● Eric Rose has been hired by BSMG Worldwide in their L.A. office as the Managing Director. Also joining the firm as a Sr. Associate is Austin Birdsall...

● Allison R. Hayward has joined the Sacto office of Bell, McAndrews & Hiltachk as of counsel, while Joseph A. Guardarrama is now with the firm's Santa Monica office. Hayward is the former general counsel to the NRCC in DC...

● Michael W. Perri, former director of strategic campaigns for the SEIU, has joined the Oakland-based Lew Edwards Group...